determine the exchange rate movements over a period in an orderly way. With a view to alleviating the adverse impact of the turmoil in international financial markets (since mid-September 2008) on the domestic forex market, a number of measures have been taken, which *Inter alia* include:

- The RBI would continue to sell foreign exchange (US dollars) through agent banks to augment supply in the domestic foreign exchange market or intervene directly to meet any demand-supply gaps.
- The RBI would conduct special market operations to meet the foreign exchange requirements of public sector oil marketing companies against oil bonds.
- The interest rate ceilings on FCNR (B) and NR(E)RA term deposits were increased in stages.
- External Commercial Borrowings (ECBs) norms relaxed: (a) All-in-cost ceilings for ECBs for average maturity period of three years and up to five years have been enhanced to 300 basis points and over five years enhanced to 500 basis points above LIBOR; (b) The overall ceiling for ECB has been increased; (c) Definition of infrastructure expanded to include mining exploration and refining sectors for the purposes of ECB; and (d) 3 G Spectrum will be considered an eligible end-use.
- All-in-cost ceiling in respect of trade credits have been raised (by up to 125 basis points) to 200 basis points over LIBOR [from LIBOR + 75 basis points].
- Provision of forex swap facilities to Indian banks with overseas branches.
- Allowing Banks to raise overseas borrowings from their head-office/overseas branches/correspondents up to 50 per cent of their unimpaired Tier-1 capital as against 25 per cent earlier.

Economic slowdown

†2387. DR. MURLI MANOHAR JOSHI:
SHRI RAM JETHMALANI:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that reasons for economic slowdown seen in country's capital market, have been found out;

(b) if so, the reasons therefor; and

(c) the estimated percentage of impact of each of the reasons to the economic slowdown?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) The determinants of economic growth, cover, *Inter alia*, savings and investment rates in the economy, performance of the primary, secondary and tertiary sectors, social and economic infrastructure, and the external economic environment. The country's GDP graw by 7.8 per cent in the first half of the current year.

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†Original notice of the question was received in Hindi.

The capital market aids corporates to raise capital; the secondary market provides for trading of scrips. The movements in the stock market indices are not a determinant of growth of the economy, since, such movements could be due to a variety of reasons including the perceptions of investors.

Selling of shares by Foreign Financial Institutions

†2388. SHRI RAJ MOHINDER SINGH MAJITHA:
DR. MURLI MANOHAR JOSHI:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Foreign Financial Institutions have sold maximum shares in Indian stock markets from 1 September, 2008 to 14 November, 2008;

(b) if so, the total value of these shares; and

(c) the total turnout from shares sold in the country's share market during the above period?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The net investment by FIIs for the period September 01, 2008 to November 14, 2008 was Rs. (-29,947.98) crore.

(c) The Total cash market turnover (single sided) at both NSI and BSI during the period September 01, 2008 to November 14, 2008 was Rs.7,93,896,01 crore.

Securities and Borrowing Lending Scheme

2389. SHRI ABDUL WAHAB PEEVEE: Will the PRIME MINISTER be pleased to state:

(a) the reasons for which the Securities and Borrowing Lending Scheme is not being rolled out in National Stock Exchange (NSE) properly;

(b) the reasons behind NSE promoting cash settled Futures and Options (F&O) which has led to excessive speculation;

(c) the reasons for which NSE is not implementing SEBI's vision of the balance scheme of Securities and Borrowing Lending to protect its monopoly of cash settled F&O which as per original report were to be cash settled only for one year; and

(d) what percentage of NSE volume constitute cash settled Nifty futures and what NSE has done to deepen the Capital Markets in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Securities and Exchange Board of India (SEBI) has provided a framework for Securities Lending and Borrowing (SLB) Scheme which has been operationalised with effect from April 21, 2008. NSE has accordingly implemented the scheme based on the framework provided by SEBI.

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†Original notice of the question was received in Hindi.